

945131

W. & G. FOYLE LIMITED
FINANCIAL STATEMENTS
31ST DECEMBER 1994

Registered number:



W. & G. FOYLE LIMITED

DIRECTORS' REPORT

31st December 1994

The directors present their annual report and the audited financial statements for the year ended 31st December 1994.

Review of the year

W. & G. Foyle Limited operates as a bookseller and publisher. Its subsidiary companies hold investments in securities and properties. With the exception of rental and investment income, which is disclosed separately, the group profit is derived from bookselling and allied activities.

	1994 £	1993 £
The profit/(loss) on ordinary activities after taxation amounted to	708931	(123045)

Dividends and appropriations

The directors do not recommend payment of a dividend (1993 Nil).

Fixed assets

Details of changes in fixed assets of the group are set out in notes 7 and 8 to the financial statements. There were no significant additions or disposals during the year.

Directors

The present directors are Mrs C.A.L. Batty and Dalmeny Investments Limited. Their interests in the company's share capital, as recorded in the Register of Directors' Interests, are as follows:-

	31st December 1994 Ordinary 5p shares	31st December 1993 Ordinary 5p shares
Mr. R.F. Batty (deceased 19th June 1994)	-	1300
Mrs. C.A.L. Batty	7213	5812
Mr. R.F. and Mrs C.A.L. Batty (jointly)	-	101

Dalmeny Investments Limited were appointed on 1st February 1995.

Company secretary

Following the death of Mr. R.F. Batty, Mrs. C.A.L. Batty resigned as company secretary on 20th July 1994 and was replaced by Mr. J. Cruickshanks on that day.

Auditors

Kidsons Impey have agreed to offer themselves for re-appointment as auditors of the company. A resolution proposing their re-appointment will be placed before the Annual General Meeting.

By order of the board

J. Cruickshanks
Company Secretary

Spectrum House,
20-26, Cursitor Street,
London, EC4A 1HY.

12th July 1995

W. & G. FOYLE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

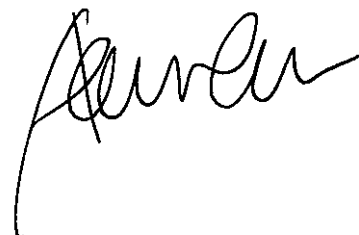
- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether accounting standards have been followed, and give details of any departures.
- prepare the financial statements on the going concern basis unless in our view the company will be unable to continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

12th July 1995

By order of the board

A handwritten signature in black ink, appearing to be 'A. W. C.', written over the text 'By order of the board'.

W. & G. FOYLE LIMITED

AUDITORS' REPORT

**Auditors' report to the members of
W. & G. Foyle Limited**

We have audited the financial statements on pages 4 to 17 which have been prepared under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because although stock was counted and valued by a consultant, there were no satisfactory audit procedures that we could adopt to confirm the valuation.

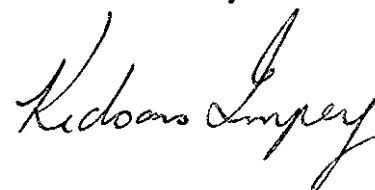
In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning stock, in our opinion the financial statements give a true and fair view of the state of the group's affairs as at 31st December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to stock:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.



**Kidsons Impey
Registered Auditors
Chartered Accountants**

Leeds

12th July 1995

W. & G. FOYLE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1994

	Note	1994 £	1993 £
Turnover	1	12907427	12636030
Cost of sales		(9877947)	(9951579)
Gross profit		3029480	2684451
Administration expenses		(2498472)	(2970405)
Distribution costs		(122713)	(118213)
Other operating income		336132	10432
Operating profit/(loss)	2	744427	(393735)
Investment income	4	180006	283565
Profit/(loss) on ordinary activities before taxation		924433	(110170)
Taxation	5	(215502)	(12875)
Profit/(loss) on ordinary activities after taxation		708931	(123045)
Extraordinary items after taxation	6	-	86344
Surplus attributable to members of the holding company (of which £602308 is dealt with in the holding company's accounts (1993 deficit £36701))	15	708931	(36701)
Retained profits brought forward	15	4587122	4623823
		5296053	4587122

W. & G. FOYLE LIMITED AND SUBSIDIARY COMPANIES
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

31st December 1994

	1994 £	1993 £
Profit/(loss) for the financial year	708931	(36701)
Currency translation differences on foreign currency net investments	(22906)	3206
	<hr/>	<hr/>
Total gains and losses recognised since last annual report	686025	(33495)
	<hr/>	<hr/>

W. & G. FOYLE LIMITED
CONSOLIDATED BALANCE SHEET

31st December 1994

	Note	£	1994	£	£	1993	£
Fixed assets							
Tangible assets	7			56144			40356
Investments	8			216411			270870
				<hr/>			<hr/>
				272555			311226
Current assets							
Stock	9	3554631			3101862		
Debtors	10	679253			1459251		
Cash at bank and in hand		3226762			2220484		
		<hr/>			<hr/>		
		7460646			6781597		
Less: current liabilities							
Creditors: amounts falling due within one year	11	(2264335)			(2309982)		
		<hr/>			<hr/>		
Net current assets				5196311			4471615
				<hr/>			<hr/>
Total assets less current liabilities				5468866			4782841
Provisions for liabilities and charges							
	12			-			-
				<hr/>			<hr/>
Net assets				5468866			4782841
				<hr/>			<hr/>
Capital and reserves							
Called up share capital	14			600			600
Profit and loss account	15			5296053			4587122
Non distributable reserve	16			205931			227015
Other reserves	17			4701			4701
Unrealised deficiency on translation	18			(38419)			(36985)
				<hr/>			<hr/>
				5468866			4782841
				<hr/>			<hr/>

W. & G. FOYLE LIMITED

BALANCE SHEET

31st December 1994
1994

1993

	Note	£	£	£	£
Fixed assets					
Tangible assets	7		32782		14595
Investments	8		48760		187684
			<hr/>		<hr/>
			81542		202279
Current assets					
Stock	9	3554631		3101862	
Debtors	10	772794		1537632	
Cash at bank and in hand		3090606		2100185	
		<hr/>		<hr/>	
		7418031		6739679	
Less: current liabilities					
Creditors: amounts falling due within one year	11	(2243401)		(2288094)	
		<hr/>		<hr/>	
Net current assets			5174630		4451585
			<hr/>		<hr/>
Total assets less current liabilities			5256172		4653864
Provisions for liabilities and charges	12		-		-
			<hr/>		<hr/>
Net assets			5256172		4653864
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	14		600		600
Profit and loss account	15		5255572		4653264
			<hr/>		<hr/>
			5256172		4653864
			<hr/>		<hr/>

The financial statements on pages 4 to 17 were approved by the board of directors on 12th July 1995.

C.A.L. Batty)
C A L Batty) Director

W. & G. FOYLE LIMITED AND SUBSIDIARY COMPANIES

CASH FLOW STATEMENT

31st December 1994

	1994	1993
	£	£
Net cash inflow/(outflow) from operating activities	418691	(1364571)
Returns on investment and servicing of finance		
Interest received	180006	283565
Dividends paid	-	(600000)
	<hr/>	<hr/>
Net cash inflow/(outflow) from returns on investments and servicing of finance	180006	(316435)
Taxation		
Corporation tax received/(paid) (including advance corporation tax)	65824	(315516)
Investing activities		
Payments to acquire:		
Tangible fixed assets	(21992)	(11390)
Receipts from sale of:		
Fixed asset investments	363749	88831
	<hr/>	<hr/>
Net cash inflow/(outflow) from investing activities	341757	77441
	<hr/>	<hr/>
Increase/(decrease) in cash and cash equivalents	1006278	(1919081)
	<hr/>	<hr/>

Further details are given in Note 21 to the financial statements

NOTES ON ACCOUNTS

31st December 1994

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

Turnover excludes value added tax and represents cash and invoiced credit sales in the year.

Goodwill

Goodwill arising on consolidation has been written off.

Fixed assets

Fixed assets are stated at cost. Depreciation is being charged by annual instalments at varying rates so as to write off the asset cost less any recoverable value over the anticipated useful life of each asset.

The following rates of depreciation have been used:-

Land and buildings	-	Nil
Fixtures and fittings	-	10% per annum on cost
Office furniture and equipment	-	10% per annum on cost
Motor vehicles	-	25% per annum on written down amount

The group's freehold land and buildings are held as long term investments. The directors do not consider it appropriate to revalue these properties.

Stock and work in progress

Stocks are valued at the lower of cost and net realisable value by a consultant. Cost is computed on an average cost basis. Net realisable value is based on estimated selling price.

Deferred taxation

Deferred taxation is provided to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Transactions expressed in foreign currencies have been translated into sterling at the rates of exchange approximating to those ruling at the dates of the transactions. Assets and liabilities have been translated at rates ruling at the balance sheet date. Exchange differences have been included in operating loss.

W. & G. FOYLE LIMITED AND SUBSIDIARY COMPANY

NOTES ON ACCOUNTS

31st December 1994

(continued)

1. Accounting policies (continued) Basis of consolidation

The group accounts consolidate the accounts of the company and its subsidiary undertakings. Intra-group profits are eliminated on consolidation. Profits and losses of companies entering or leaving the group are included from the date of acquisition or up to the date of disposal. The net assets of subsidiaries acquired are included on the basis of their fair value at the date of acquisition being the earlier of the date consideration passes or an offer is declared unconditional. Subsidiaries which it is intended to dispose of in the short term are not consolidated.

2. Operating profit/(loss)	1994 £	1993 £
Costs and expenses include:		
Depreciation	3813	42373
Staff costs (see Note 3)	1209545	1472479
Auditors' remuneration - audit	8500	8000
- non-audit services	44781	55819
Profit on sale of investment property	331448	-
	<hr/>	<hr/>
3. Staff costs (including directors' emoluments)		
Wages and salaries	1113944	1349442
Social security costs	95601	123037
	<hr/>	<hr/>
	1209545	1472479
	<hr/>	<hr/>
	Number	Number
Average number employed	96	111
	<hr/>	<hr/>
	£	£
Directors:		
Fees	-	-
Other emoluments		
- Company	-	200000
- Subsidiaries	-	497
	<hr/>	<hr/>
	-	200497
	<hr/>	<hr/>
Emoluments (excluding pension contributions):		
Chairman and highest paid director	-	200000
	<hr/>	<hr/>
4. Investment income		
Interest receivable	163833	228999
Exchange (losses)/gains	(42749)	11828
Interest payable	(563)	(5544)
Rent receivable	59485	48282
	<hr/>	<hr/>
	180006	283565
	<hr/>	<hr/>

W. & G. FOYLE LIMITED AND SUBSIDIARY COMPANIES

NOTES ON ACCOUNTS

31st December 1994
(continued)

5. Taxation

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Profit and loss account				
Corporation tax				
charge for the year @ 33% (1993 33%)	223629	14238	189160	(31354)
Over provision re prior years	(8127)	(1363)	(8127)	(1363)
	<u>215502</u>	<u>12875</u>	<u>181033</u>	<u>(32717)</u>
Balance sheet				
Corporation tax recoverable (note 10)	<u>233551</u>	<u>340155</u>	<u>233551</u>	<u>340155</u>
Corporation tax payable (note 11)	<u>208786</u>	<u>34064</u>	<u>189160</u>	<u>18860</u>

6. Extraordinary item - group and company

	1994	1993
	£	£
Profit on disposal of the remaining 7% (1992 93%) of the share capital of Rondo Investments (Shareblock (Pty) Ltd.	-	45344
Less: tax @ 25% - provision added back in current year	-	(41000)
	<u>-</u>	<u>86344</u>

NOTES ON ACCOUNTS

31st December 1994
(continued)

7. Tangible fixed assets

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Office furniture and equipment £	Total £
Group					
At cost					
31st December 1993	25580	28467	413365	55266	522678
Additions	-	-	11619	10373	21992
Exchange difference	(2376)	-	(79)	-	(2455)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1994	23204	28467	424905	65639	542215
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
31st December 1993	-	25665	403089	53569	482323
Charge for year	-	701	2845	267	3813
Exchange difference	-	-	(65)	-	(65)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1994	-	26366	405869	53836	486071
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount					
31st December 1994	23204	2101	19036	11803	56144
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1993	25580	2802	10276	1697	40356
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		Motor vehicles £	Fixtures & fittings £	Office furniture & equipment £	Total £
Company					
At cost					
31st December 1993	28467	412505	55266	496238	
Additions	-	11619	10373	21992	
	<hr/>	<hr/>	<hr/>	<hr/>	
31st December 1994	28467	424124	65639	518230	
	<hr/>	<hr/>	<hr/>	<hr/>	
Depreciation					
31st December 1993	25665	402408	53569	481642	
Charge for year	701	2838	267	3806	
	<hr/>	<hr/>	<hr/>	<hr/>	
31st December 1994	26366	405246	53836	485448	
	<hr/>	<hr/>	<hr/>	<hr/>	
Net book amount					
31st December 1994	2101	18878	11803	32782	
	<hr/>	<hr/>	<hr/>	<hr/>	
31st December 1993	2802	10097	1697	14596	
	<hr/>	<hr/>	<hr/>	<hr/>	

W. & G. FOYLE LIMITED AND SUBSIDIARY COMPANIES

NOTES ON ACCOUNTS

31st December 1994
(continued)

8. Fixed asset investments

	1994	1993
	£	£
a) Group		
Freehold land and buildings	-	32301
South African quoted investments	216411	238569
	<hr/>	<hr/>
	216411	270870
	<hr/>	<hr/>

The market value of the South African securities is £218450 (1993 £284047).

b) Company

	1994	1993
	£	£
Investment in subsidiaries companies		
Shares at cost	48760	348583
Current accounts with subsidiaries	-	(193200)
	<hr/>	<hr/>
	48760	155383
Freehold land and buildings	-	32301
	<hr/>	<hr/>
	48760	187684
	<hr/>	<hr/>

- c)** The following companies were the wholly owned subsidiaries of W. & G. Foyle Limited at 31st December 1994.

Consolidated	Country of incorporation	Type of shares	Nature of business
Burmar Court (Pty) Limited	South Africa	Ordinary	Investment in property

W. & G. FOYLE LIMITED AND SUBSIDIARY COMPANIES

NOTES ON ACCOUNTS

31st December 1994

(continued)

9. Stock - Group and Company

	1994	1993
	£	£
Books	3554631	3101862
	<u> </u>	<u> </u>

10. Debtors

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Amounts falling due within one year				
Trade debtors	28964	36365	25749	33936
Other debtors (note 20)	319454	996126	426112	1087643
Tax recoverable	233551	340155	233551	340155
Prepayments and accrued income	97284	86605	87382	75898
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	679253	1459251	772794	1537632
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

11. Creditors

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Amounts falling due within one year				
Payments received on account	93007	139414	93007	139414
Trade creditors	1814991	1876905	1813682	1870221
Corporation tax	208786	34064	189160	18860
Other taxation and social security	29374	155647	29374	155647
Other creditors	44836	36377	32190	36377
Accruals and deferred income	73341	67575	85988	67575
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2264335	2309982	2243401	2288094
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

W. & G. FOYLE LIMITED AND SUBSIDIARY COMPANIES

NOTES ON ACCOUNTS

31st December 1994

(continued)

12. Provisions for liabilities and charges

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Deferred taxation				
Potential liability and provision				
Short term timing differences	-	212	-	212
Advance corporation tax available for set-off against future year's corporation tax	-	(212)	-	(212)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

13. Reconciliation of shareholders' funds

	1994	1993
	£	£
Profit/(loss) for the financial year	708931	(36701)
Currency translation differences on foreign currency net investments	(22906)	3206
	<hr/>	<hr/>
Net addition to/(subtraction from) shareholders' funds	686025	(33495)
Opening shareholders' funds	4782841	4816336
	<hr/>	<hr/>
Closing shareholders funds	5468866	4782841
	<hr/>	<hr/>

Shareholders' funds are directly attributable to equity shareholders.

14. Share capital

	Authorised		Allotted called up and fully paid	
	Number of		Number of	
	shares	£	shares	£
1994 and 1993				
5p ordinary shares	14000	700	12007	600
		<hr/>		<hr/>

W. & G. FOYLE LIMITED AND SUBSIDIARY COMPANIES

NOTES ON ACCOUNTS

31st December 1994
(continued)

15. Reserves

Profit and loss account	Group £	Company £
31st December 1993	4587122	4653264
Profit retained for year	708931	602308
	<hr/>	<hr/>
31st December 1994	<u>5296053</u>	<u>5255572</u>

16. Undistributable reserve

Surplus arising on disposal of SBC Properties (Pty) Limited

	Group £
31st December 1993	227015
Exchange difference	(21084)
	<hr/>
31st December 1994	<u>205931</u>

17. Other reserves

Negative goodwill on consolidation of subsidiary

	£
31st December 1993 and 1994	4701
	<hr/>

18. Unrealised deficiency on translation

	£
31st December 1993	(36985)
Net translation losses in the year	(1506)
	<hr/>
31st December 1994	<u>(38419)</u>

W. & G. FOYLE LIMITED AND SUBSIDIARY COMPANIES

NOTES ON ACCOUNTS

31st December 1994
(continued)

19. Directors' interests

The company rents its bookshop premises from Noved Investment Company, a company under common ownership, at an annual rental of £460,000 (1993 £650,000). During the year various expenditure is incurred by W. & G. Foyle Ltd on behalf of Noved Investment Company and recharged through a loan account. At 31st December 1994 the company was owed £285,357 (1993 £951,745) by Noved Investment Company.

On 30th November 1994, the investment property was sold at market value to Noved Investment Company.

20. Notes to the cash flow statement

Reconciliation of operating profit to net cash outflow from operating activities

	1994 £	1993 £	
Operating profit/(loss)	744427	(393735)	
Depreciation charges	3813	42381	
Profit on sale of investments	(331448)	-	
Exchange differences	1643	(422)	
Decrease/(increase) in debtors	673394	(978468)	
Decrease in creditors	(220369)	(104991)	
Decrease/(increase) in stocks	(452769)	70664	
	<hr/>	<hr/>	
Net cash inflow/(outflow) from operating activities	418691	(1364571)	
	<hr/>	<hr/>	
Analysis of changes in cash and cash equivalents as shown in the balance sheet			
Balance at 1st January 1993	2220484	4139565	
Net cash inflow/(outflow)	995168	(1919081)	
	<hr/>	<hr/>	
Balance at 31st December 1994	3215652	2220484	
	<hr/>	<hr/>	
Analysis of the balances of cash and cash equivalents as shown in the balance sheet			
	1994 £	1993 £	Change in year £
Cash at bank and in hand	3226762	2220484	1006278